

**LEMON GROVE SANITATION DISTRICT BOARD
AGENDA ITEM SUMMARY**

Item No. 1.G
Mtg. Date September 18, 2018
Dept. Finance

Item Title: 115 Trust Transfer from Sanitation District

Staff Contact: Molly Brennan, Finance Manager

Recommendation:

Authorize the transfer of \$516,879 from the Sanitation District to the 115 Trust for investment towards future CalPERS obligations.

Item Summary:

The Sanitation District recently received \$516,879.00 from the City of San Diego Metropolitan Wastewater Department as a refund for treatment charges paid by the Sanitation District in FY 2015/2016 (**Attachment A**). This is one-time revenue that was not included in the budget. At the September 4, 2018 City Council Meeting during the Pension Rate Stabilization Program Funding Policy discussion, staff was directed to prepare for the transfer of the Metro refund into the newly opened 115 Trust. By pre-funding the Sanitation District's unfunded accrued pension liability (UAL), additional interest may be generated and future increases in UAL payments can be stabilized. Since funds in the 115 Trust may only be spent on pension related expenses, the new investment will also reduce the Sanitation District's overall net pension liability by creating a new pension asset. The funds will be invested in the Moderately Conservative portfolio, in line with the Pension Rate Stabilization Program Investment & Funding Policy.

Fiscal Impact:

The Sanitation District's fund balance will increase at the end of the fiscal year, since the cash transferred remains an asset of the Sanitation District. Additional interest earnings are anticipated.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

A. FY 2016 Metro Refund Notice



Public Utilities Department
Finance and Information Technology Division

August 28, 2018

Tim Gabrielson
City Engineer
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Reference: Fiscal Year 2016 Metro Refund

Dear Mr. Gabrielson:

The Office of the City Comptroller has mailed your FY 2016 Metro Refund on August 24, 2018. It is check number 0001664421 in the amount of \$516,879.00. Please contact Hana Hanigan at (858) 292-6326 or via email at hhanigan@sandiego.gov if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Edgar X. Patiño".

Edgar X. Patiño
Supervising Management Analyst

EP:hkh

Enclosures: FY 2016 Table B

cc: Mike James, Public Works Director, City of Lemon Grove
Stephanie Boyce, Management Analyst, City of Lemon Grove

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Attachment A

TABLE B

CITY OF SAN DIEGO - METROPOLITAN WASTEWATER DEPARTMENT
PROJECTED DISTRIBUTION OF SYSTEM WASTEWATER COSTS - FISCAL YEAR 2016
FUNCTIONAL-DESIGN BASED ALLOCATION METHOD

AGENCY	ALLOCATION OF COSTS BY FLOW, SUSPENDED SOLIDS AND CHEMICAL OXYGEN DEMAND				TOTAL PAID FOR FY 2016	DIFFERENCE
	FLOW (a)	SS (a)	COD (a)	TOTAL FLOW, SS & COD		
CHULA VISTA	\$8,609,356	\$5,361,944	\$4,886,801	\$18,838,101	\$17,975,408	\$862,693
CORONADO	\$688,000	\$473,864	\$333,521	\$1,495,385	\$2,829,916	(\$1,334,531)
DEL MAR	\$287,428	\$220,925	\$103,021	\$611,374	\$281,928	\$329,446
EAST OTAY MESA	\$23,502	\$14,604	\$12,305	\$50,411	\$42,604	\$7,807
EL CAJON	\$3,892,749	\$2,732,079	\$2,128,389	\$8,753,216	\$9,315,460	(\$562,244)
IMPERIAL BEACH	\$1,200,401	\$558,315	\$507,178	\$2,265,894	\$2,242,532	\$23,362
LA MESA	\$2,304,930	\$1,306,998	\$1,022,202	\$4,634,130	\$4,480,624	\$153,506
LAKESIDE/ALPINE	\$1,487,801	\$1,040,771	\$887,305	\$3,415,877	\$3,623,460	(\$207,583)
LEMON GROVE	\$896,523	\$450,664	\$437,894	\$1,785,081	\$2,301,960	(\$516,879)
NATIONAL CITY	\$2,164,141	\$1,167,117	\$1,185,953	\$4,517,211	\$5,187,792	(\$670,581)
OTAY	\$78,884	\$247,191	\$93,837	\$419,912	\$812,536	(\$392,624)
PADRE DAM	\$1,208,174	\$1,428,352	\$961,628	\$3,598,153	\$4,218,144	(\$619,991)
POWAY	\$1,380,175	\$855,618	\$638,151	\$2,873,944	\$3,525,716	(\$651,772)
SPRING VALLEY	\$2,222,320	\$1,324,423	\$1,117,647	\$4,664,391	\$7,087,320	(\$2,422,929)
WINTERGARDENS	\$485,464	\$347,901	\$264,827	\$1,098,192	\$1,103,696	(\$5,504)
SUBTOTAL PARTICIPATING AGENCIES	\$26,929,849	\$17,530,764	\$14,560,658	\$59,021,272	\$65,029,096	(\$6,007,824)
SAN DIEGO	\$56,542,994	\$34,269,029	\$31,335,243	\$122,147,265		
TOTAL	\$83,472,843	\$51,799,793	\$45,895,901	\$181,168,537		

(a) Allocations based on estimated annual flows and strength loadings - See Table C

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Updated 8/6/2018